

CENTRAL KITSAP SCHOOL DISTRICT No. 401
Kitsap County, Washington
September 1, 1993 Through August 31, 1994

Schedule Of Findings

1. The District Should Strengthen Its Internal Controls Over Decentralized Cash Receipts

Observation and cash count tests at Central Kitsap School District decentralized locations revealed the following weaknesses:

- a. Cash and checks at the Olympic High School (OHS) office were not receipted in a timely manner, and deposits were held for weeks at a time.
- b. After-sales cash register tapes at the OHS store were put into a plastic tub for filing purposes.
- c. Espresso coffee and cookie sales were not always rung up as sales on the cash registers at the OHS store.
- d. OHS and Central Kitsap High School instructors did not use formal receipts when receiving money from students.
- e. OHS swimming pool lacked adequate receipting for individual patrons; the token machine used to track the number of individual payee swimmers was broken during our audit. According to management it has repeatedly broken down since they started using it and no substitute receipting system was installed.

RCW 43.09.200 states:

The accounts shall show the receipt, use, and disposition of all public property, and the income, if any, derived therefrom; all sources of public income, and the amounts due and received from each source; all receipts, vouchers, and other documents kept, or required to be kept, necessary to isolate and prove the validity of every transaction

These weaknesses allow the possibility for errors and irregularities to occur and not be discovered by management in a timely manner. Lack of review and monitoring processes contributed to the decentralized cash receipting internal control weaknesses cited above.

We recommend the following:

- a. OHS office immediately count and receipt all incoming money and make timely deposits.
- b. OHS student store reconcile and file all cash register tapes/cash receipt source documents with subsequent deposit receipt data from the OHS office. OHS student store use cash registers for immediate receipt accountability for all sales,

including espresso and cookies sales.

- d. Instructors receiving district money immediately provide a formal receipt to each payee.
- e. OHS swimming pool staff provide proper receipting for all money received. We recommend a cash register receipting system be installed and used for all moneys received.